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SUBJECT: AUSTRIA SCRUTINIZING LETTERS OF CREDITS FOR
IRANIAN TRADE (C)

Classified By: Economic and Political Counselor Dean Yap
for reasons 1.4 (b) and (d)

(S) On September 19, Helmut Krehlik, Head of the Export and Import Control Division in the Ministry of Economics told EconPol Counselor and EconUnit Chief that Austrian commercial banks are now required to submit all requests for letters of credits to finance exports to Iran to the MoE for approval. The GoA's export guarantee entity, the Kontrollbank, has recently instituted this procedure in an effort to ensure that no exports to sanctioned firms inadvertently receive financing. In addition, Krehlik noted that the new requirement greatly decreases the likelihood that an Austrian bank would provide financing for a licensable item. According to Krehlik, Austrian banks did not previously have the technical competency or willingness to identify licensable exports. Krehlik welcomed the new measure, but lamented that his division's workload had tripled since the new system began.

McCaw